

## **OC REGISTER**

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# **The Orange Grove: Put surplus property toward deficit**

## **State doesn't need the land, but it does need the money**

by CHUCK DEVORE

DeVore, R-Irvine, represents the 70th Assembly District in the California Legislature.

As the Legislature and the governor consider solutions to address California's \$16 billion budget deficit, one step we could take today to bring in hundreds of millions of dollars or more in new revenue is selling California's surplus property.

The state of California owns 2,000 pieces of land, totaling more than 2.5 million acres – more land than contained in Los Angeles County. On top of that, the state owns more than 19,000 buildings, totaling 180 million square feet of space.

Among state-owned properties are golf courses, luxury homes, football stadiums and sports arenas. Much of the land the owned by the state is located in some of California's most expensive real estate markets, where private companies are routinely looking for land to build new housing or projects that would benefit the local economy and add to the local tax rolls.

Not surprisingly, bureaucrats have a difficult time managing these important assets in the best interest of taxpayers. We know that much of the land is undervalued and underused, bringing in token revenue to the state from rent payments and ticket sales, while costing taxpayers far more in maintenance costs.

Take the Los Angeles Memorial Coliseum, for example. Host of the 1932 and 1984 Summer Olympic Games and the football home for 80-plus years of the University of Southern California Trojans, the Coliseum sits on 160 acres owned by the state just south of the USC campus. The landmark for years has been poorly managed by a joint board comprised of city, county and state officials, so much so that the stadium's main tenant, USC, nearly left the stadium for good this year in frustration.

To remedy this problem, I introduced Assembly Bill 1849, to require the state to sell the Coliseum land and use that money to pay down some of our state's mounting debt.

If we were to sell this property today, the state could take in, conservatively, \$240 million and as much as \$750 million. We have already seen USC and other private groups express an interest in buying the Coliseum, and I have no doubt we would command a significant price.

Under Proposition 60A, which was approved by voters in November 2004, the money from selling surplus state property must be used to pay down the state's debt from passing Economic Recovery Bonds. Billions of dollars of these bonds were approved by voters in March 2004 to retire our previous huge budget deficit.

If the state collected hundreds of millions of dollars from selling the Coliseum to put toward some of this debt, we could use for other purposes the money originally set aside for debt payments, such as protecting law enforcement funding or further reducing the deficit.

For instance, selling the L.A. Coliseum could free about \$75 million per year in general fund revenue that would no longer have to go to debt service. More sales of surplus property would lead to bigger budget savings.

With California facing severe budget problems, should we really be hanging on to properties like the Coliseum that would bring in much more money for the state if they were sold?

But selling the Coliseum is really just the first step that California should take to sell off surplus property and bring in significant revenue to the state.

Over the past several years, the Legislature has begun adding new, burdensome requirements that have made it virtually impossible for the state to sell surplus property, such as requiring multiple environmental reviews before property can be sold. This simply makes no sense. The Legislature should act today in the special session to remove these unnecessary obstacles and get more of California's surplus property on the market without delay.

The Legislature should also work with Gov. Schwarzenegger's administration to create an inventory of state-owned surplus property. Each property then could be evaluated to ensure that there is no legitimate purpose in the state continuing to own it. Those excess properties then could be sold.

There should be no disagreement that selling surplus property is an appropriate step to address our state's budget problems. In the coming months, I hope

lawmakers can set aside their differences to take this common-sense step and help turn California around.